

Yardi® Matrix

Boston's Demand Hits The Gas

Multifamily Report Summer 2018

Rent Growth Outpaces National Average

Professional, Business Services Lead Job Gains

Development Boom Continues

BOSTON MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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Rent Growth Rebounds

The Boston multifamily market remains stable, having posted a strong rental season. Monthly rates rose 2.9% year-over-year through July, and despite the metro's strong and steady pipeline, demand is once again outpacing supply.

Professional and business services led growth, having generated 22,400 positions. Boston's renowned academic institutions, health-care providers and high-tech research and financial companies fortify the metro's status as an East Coast economic anchor, generating high-paying jobs at a rapid pace. This, in turn, is maintaining upscale housing demand elevated. The construction sector is also thriving, thanks to a steady stream of developments underway. The list includes the 45-acre Cambridge Crossing, which upon completion is set to add 2.1 million square feet of science and technology space, 200,000 square feet of retail and roughly 2,400 new residential units.

Transaction activity softened, with \$654 million in multifamily assets trading in the first half of 2018. Even so, values remain high, as the per-unit price reached \$363,641 this year through July. With nearly 16,500 units under construction and roughly 4,900 units anticipated to come online for the whole of 2018, we expect rents to rise 2.8% in Boston this year.

Recent Boston Transactions

Watermark Seaport



City: Boston
Buyer: Clarion Partners
Purchase Price: \$239 MM
Price per Unit: \$690,029

Prynne Hills



City: Randolph, Mass.
Buyer: LivCor
Purchase Price: \$131 MM
Price per Unit: \$278,072

Fuse Cambridge



City: Cambridge, Mass.
Buyer: Wafra Investment Advisory Group
Purchase Price: \$128 MM
Price per Unit: \$522,541

The Point at North Quincy



City: Quincy, Mass.
Buyer: Pantzer Properties
Purchase Price: \$64 MM
Price per Unit: \$286,830